



Bulletin

2004-21B

DATA EXCHANGE AGREEMENTS

TO: Assessors, Mayors, Selectmen and City/Town Managers

FROM: Gerard D. Perry, Deputy Commissioner
Division of Local Services

DATE: November 2004

SUBJECT: Exchange of State Tax Data Regarding Residency

This *Bulletin* explains a new procedure available to assessors to verify residency of applicants for local property tax exemptions.

As you know, Massachusetts residents must register their motor vehicles in Massachusetts. Under recent legislation, persons who claim non-resident status for registration purposes are deemed to be Massachusetts residents if they meet certain criteria. G.L. Ch. 90 §3½. These criteria are intended primarily to prevent evasion or reduction of insurance premiums, sales or use taxes and motor vehicle excises by residents who improperly register vehicles in another state, or misrepresent the place vehicles are principally garaged within Massachusetts. The legislation also allows local boards of assessors, the Department of Revenue (DOR), the Registry of Motor Vehicles and state and local law enforcement officials to exchange confidential data they maintain regarding any of these criteria. These governmental entities may use that data to enforce state and local tax laws as well as motor vehicle registration laws.

Under the law, filing a resident state tax return or claiming a rental deduction on the state tax return is considered evidence that a person is a Massachusetts resident. As a result, assessors may now verify a person's domicile for local property tax exemption purposes by requesting DOR to perform data matches against its tax return information. Assessors seeking tax return information for verification purposes must enter into a data exchange agreement with DOR and agree to specific procedures regarding access, use and disposition of any information provided in order to ensure its confidentiality. Assessors, and any of their employees, consultants or vendors who will have access to the information, must also sign individual confidentiality agreements.

Assessors must be able to provide DOR with the (1) name, (2) Social Security Number (SSN), and (3) address of each person about whom they seek tax return information. This data will generally have to be provided in an electronic format that will enable DOR's matching program to identify those individuals for which it has tax return records. For each person identified, DOR would be able to provide assessors with the taxpayer's name and SSN and any of the following information: (1) type of return filed (resident or non-resident), (2) primary place of residence shown on the return, and (3) whether a rental deduction was claimed.

Assessors interested in entering into a data exchange agreement must submit a written request for tax return data under G.L. Ch. 90 §3½. The request must be signed by a majority of the board and provide the name and phone number of the person designated to discuss implementation with DOR legal and technical staff. All requests must be submitted to:

Thomas C. Moran, Tax Counsel
Department of Revenue
P.O Box 9563
Boston MA 02114-9563

If you have questions about requesting this information, you may contact Mr. Moran by e-mail: morant@dor.state.ma.us or phone (617-626-3282).